



**Northeast
Utilities System**

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Northeast Utilities Service Company
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March 16, 2004

Ms. Mary L. Cottrell
Secretary
Dept. of Telecommunications & Energy
One South Station
Boston, MA 02110

Re: Docket No. DTE 03-88 - WMECO Default Service Costs

Dear Ms. Cottrell:

This letter provides the response to requests for the information listed below.

Response to AG-01 Interrogatories dated 02/24/2004

AG1 - 001 , 003 , 004 *, 005 *, 006 , 008 , 009 , 010 , 011

Very truly yours,

Stephen Klionsky (jms)
Stephen Klionsky

SK/tms

cc: Service List

* Bulk material provided.

Witness: Edward A. Davis
Request from: Attorney General

Question:

Please provide the following monthly bad debt data separately for the period from January, 2001 through December, 2003. Provide the data by rate class and by service type if available.

- a. Bad debt written off.
- b. Bad debt recovery.
- c. Bad debt reserve balance 1/1/2001.
- d. Bad debt reserve monthly activity.
- e. Monthly Booked Revenue and net write-offs for 1999 through 2003.

Please supply the data in an Excel spreadsheet file as well as in a paper version.

Response:

The Company has provided the information requested on the attached pages indicated below. Except for monthly revenue, the Company does not maintain the information requested by rate class and service type. Monthly revenue has been provided by service class (i.e., customer class.) All other information has been provided on a total company basis.

- A. Bad debt written off: Page 2 of 6.
- B. Bad debt recovery: Page 3 of 6
- C. Bad debt reserve balance as of 1/1/2001: Page 4 of 6
- D. Bad debt reserve monthly activity: See response to C above
- E. Monthly booked revenue and net write offs for 1999-2003; Pages 5 and 6 respectively

**Bad Debt Written Off
Total Company**

	<u>2001</u>	<u>2002</u>	<u>2003</u>
Jan	194,740	231,380	353,227
Feb	297,681	304,303	335,884
Mar	136,082	295,883	217,853
Apr	195,792	249,239	221,520
May	78,265	176,883	385,376
Jun	373,106	436,420	315,598
Jul	355,243	266,768	495,541
Aug	282,718	458,660	437,099
Sep	444,422	285,497	450,403
Oct	502,212	308,869	516,716
Nov	84,916	356,423	198,838
Dec	510,353	240,632	461,327
Total	\$ 3,455,530	\$ 3,610,957	\$ 4,389,382

**Bad Debt Recovered
Total Company**

	<u>2001</u>	<u>2002</u>	<u>2003</u>
Jan	74,888	106,014	15,349
Feb	68,053	37,563	81,501
Mar	65,830	75,940	76,857
Apr	101,615	105,758	63,156
May	51,747	41,522	71,458
Jun	44,090	145,148	63,448
Jul	45,788	66,316	65,437
Aug	92,012	51,504	51,372
Sep	28,423	64,813	57,091
Oct	48,285	62,991	78,752
Nov	49,841	57,706	61,001
Dec	70,139	59,112	63,577
Total	\$ 740,711	\$ 874,387	\$ 748,999

**Bad Debt Reserve
Balance and Net Activity
Total Company**

Bad debt reserve balance 1/1/2001 (\$1,835,770)

2001	Activity	Balance
Jan	(64,824)	(1,900,594)
Feb	(439)	(1,901,033)
Mar	(188,410)	(2,089,443)
Apr	(115,911)	(2,205,353)
May	(182,006)	(2,387,360)
Jun	112,727	(2,274,632)
Jul	66,139	(2,208,493)
Aug	(100,657)	(2,309,150)
Sep	204,000	(2,105,150)
Oct	172,519	(1,932,631)
Nov	(231,081)	(2,163,712)
Dec	186,130	(1,977,582)
Total	\$ (141,812)	\$ (1,977,582)

2002		
Jan	(91,366)	(2,068,948)
Feb	61,034	(2,007,914)
Mar	1,016	(2,006,899)
Apr	(43,518)	(2,050,417)
May	(63,913)	(2,114,330)
Jun	63,313	(2,051,017)
Jul	(78,765)	(2,129,782)
Aug	197,523	(1,932,259)
Sep	(77,669)	(2,009,929)
Oct	50,086	(1,959,843)
Nov	111,485	(1,848,358)
Dec	(59,223)	(1,907,581)
Total	\$ 70,001	\$ (1,907,581)

2003		
Jan	136,966	(1,770,615)
Feb	45,060	(1,725,555)
Mar	(133,739)	(1,859,294)
Apr	(41,162)	(1,900,456)
May	76,123	(1,824,333)
Jun	585	(1,823,748)
Jul	101,713	(1,722,035)
Aug	77,552	(1,644,483)
Sep	(638,583)	(2,283,066)
Oct	112,398	(2,170,668)
Nov	(152,097)	(2,322,765)
Dec	139,810	(2,182,954)
Total	\$ (275,373)	\$ (2,182,954)

Monthly Booked Revenue 1999-2003
Total Company

	Residential	Commercial	Industrial	Street Light	Total
1999					
Jan	15,140,057	10,311,126	4,929,654	373,646	30,754,483
Feb	11,505,022	9,812,330	5,696,863	337,091	27,351,306
Mar	11,975,608	9,957,271	5,723,203	440,535	28,096,617
Apr	15,101,053	13,969,601	8,066,311	395,843	37,532,809
May	10,141,478	10,602,192	6,682,887	452,755	27,879,313
Jun	11,359,177	11,994,037	6,653,807	397,349	30,404,370
Jul	14,033,710	12,338,673	6,824,306	403,971	33,600,660
Aug	11,820,002	11,214,245	6,249,107	420,006	29,703,359
Sep	10,847,342	11,004,185	6,041,683	391,883	28,285,094
Oct	10,636,017	10,208,855	6,775,000	386,075	28,005,947
Nov	10,840,119	9,862,735	5,863,516	413,889	26,980,259
Dec	13,327,936	10,379,798	5,713,920	417,631	29,839,285
Total	\$ 146,727,523	\$ 131,655,049	\$ 75,220,257	\$ 4,830,673	\$ 358,433,502
2000					
Jan	16,046,132	11,030,040	5,943,828	413,706	33,433,706
Feb	12,982,231	10,733,813	6,143,350	334,564	30,193,958
Mar	12,230,953	11,106,879	6,486,817	457,071	30,281,720
Apr	10,307,081	10,177,692	6,148,530	392,909	27,026,214
May	10,900,524	10,982,950	6,366,892	457,570	28,707,935
Jun	11,283,807	11,750,079	6,715,502	369,233	30,118,621
Jul	11,961,581	11,302,643	5,713,992	411,206	29,389,422
Aug	12,446,731	12,716,482	7,326,959	424,221	32,914,393
Sep	11,921,363	11,764,573	6,046,747	402,574	30,135,258
Oct	10,730,637	10,897,066	8,989,332	398,361	31,015,397
Nov	11,813,797	10,567,569	6,453,792	538,325	29,373,483
Dec	16,110,387	12,673,304	7,550,331	506,695	36,840,716
Total	\$ 148,735,225	\$ 135,703,091	\$ 79,886,074	\$ 5,106,434	\$ 369,430,824
2001					
Jan	22,208,419	14,367,969	5,852,781	454,696	42,883,866
Feb	11,658,322	12,436,991	6,793,138	419,020	31,307,471
Mar	18,590,840	12,542,952	8,160,493	459,975	39,754,259
Apr	12,053,795	12,632,483	7,710,356	482,718	32,879,353
May	11,239,854	13,515,271	6,791,985	407,715	31,954,825
Jun	11,247,780	11,876,170	7,800,483	367,067	31,291,500
Jul	15,261,408	14,868,972	6,645,237	424,572	37,200,188
Aug	16,587,685	15,277,540	7,419,981	479,870	39,765,077
Sep	13,307,494	13,581,960	6,701,374	429,224	34,020,052
Oct	12,674,534	12,994,490	7,080,010	501,542	33,250,576
Nov	13,737,422	11,568,234	6,759,647	431,258	32,496,562
Dec	16,331,532	12,058,633	6,036,395	448,463	34,875,022
Total	\$ 174,899,086	\$ 157,721,665	\$ 83,751,881	\$ 5,306,120	\$ 421,678,751
2002					
Jan	16,812,811	11,428,828	4,826,121	443,070	33,510,830
Feb	12,651,466	9,843,135	4,865,651	395,039	27,755,291
Mar	13,280,784	10,671,670	5,179,584	438,045	29,570,084
Apr	11,994,527	10,266,614	4,840,320	413,461	27,514,922
May	11,214,612	10,134,963	5,197,900	407,832	26,955,307
Jun	11,665,906	11,333,920	5,314,920	429,756	28,744,502
Jul	14,714,689	11,713,216	4,977,690	406,694	31,812,288
Aug	13,865,967	11,002,259	5,451,625	412,907	30,732,758
Sep	11,756,566	10,746,625	4,885,179	424,308	27,812,679
Oct	11,195,953	10,558,494	5,355,135	453,228	27,562,810
Nov	12,469,942	9,513,323	5,151,781	438,153	27,573,199
Dec	16,437,029	9,817,419	4,735,595	408,169	31,398,212
Total	\$ 158,060,252	\$ 127,030,468	\$ 60,781,501	\$ 5,070,662	\$ 350,942,883
2003					
Jan	17,267,522	11,025,736	5,331,554	411,942	34,036,754
Feb	14,496,711	10,848,082	4,472,112	375,928	30,192,834
Mar	14,405,190	10,825,699	5,322,694	459,686	31,013,268
Apr	11,367,950	10,834,378	5,333,721	405,267	27,941,316
May	11,675,832	10,834,372	5,855,511	408,091	28,773,805
Jun	11,557,347	10,529,132	6,053,111	428,806	28,568,396
Jul	15,047,697	12,521,294	5,057,342	344,232	32,970,565
Aug	15,405,623	11,963,019	5,959,800	390,610	33,719,051
Sep	12,734,209	12,068,429	5,439,395	406,902	30,648,935
Oct	12,329,918	10,922,255	5,532,709	414,281	29,199,163
Nov	13,473,642	9,758,910	4,791,773	373,385	28,397,710
Dec	16,109,491	10,990,742	4,840,685	398,092	32,339,011
Total	\$ 165,871,132	\$ 133,122,049	\$ 63,990,406	\$ 4,817,221	\$ 367,800,808

Net Write-offs for 1999-2003
Total Company

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Jan	165,431	(24,244)	119,852	125,366	337,878
Feb	130,204	123,382	229,628	266,740	254,383
Mar	62,384	150,252	70,252	219,943	140,996
Apr	194,470	67,259	94,177	143,481	158,364
May	209,815	61,267	26,518	135,361	313,918
Jun	223,324	367,251	329,016	291,272	252,150
Jul	404,855	102,463	309,455	200,452	430,104
Aug	103,582	316,244	190,706	407,156	385,727
Sep	222,483	150,709	415,999	220,684	393,312
Oct	192,658	172,347	453,927	245,878	437,964
Nov	188,539	97,011	35,075	298,717	137,837
Dec	735,911	498,931	440,214	181,520	397,750
Total	<u>\$ 2,833,656</u>	<u>\$ 2,082,872</u>	<u>\$ 2,714,819</u>	<u>\$ 2,736,570</u>	<u>\$ 3,640,383</u>

Witness: Edward A. Davis
Request from: Attorney General

Question:

Please provide the work papers, backup, and calculations that support each overhead factor used in your filing. Are these factors used in other regulatory cases? Please supply all recent (since 2002) WMECO testimony and work papers with supporting backup including timesheets that use overhead factors. Explain their use in WMECO cost accounting and any other applications where they are used. Please supply the data in an Excel spreadsheet file as well as in a paper version.

Response:

The attached spreadsheet, page 2 of 3, defines the calculations that were used in determining WMECO's Estimated Wholesale and Retail Default Service Cost. The estimates provided are based on one large scale RFP solicitation with a complete annual review of the process, and three small scale solicitations throughout the year for 2004.

The overhead factor of 43.38% was applied to hourly rates shown in Column D to arrive at the overhead amounts shown in column E. This rate was derived from the 2003 Management Information and Budgeting System (MBIS) for NU. Employee overhead costs are associated with (1) Non productive time loaders relating to vacations, holidays, illness, jury duty and military leave; and (2) productive General Service Company loaders relating to employee costs for workers compensation, incentives, pensions, supplementary pension, supplemental retirement and savings plan, supplemental executive retirement plan, post retirement medical and life insurance, medical, and long-term disability, corporate document services and administrative support services, payroll taxes for federal and state unemployment taxes, social security taxes, and Massachusetts universal health tax, building costs, information technology ("IT") costs, and depreciation costs of computers, office equipment and amortization of leasehold improvements.

For purposes of quantifying the full cost of labor, WMECO identifies the total amount of employee benefit costs and the total amount of payroll for the Company. The benefits are then divided by the payroll to generate an overhead loader rate - based on 2003 data, the rate is 43.38%. This means that for every dollar of payroll, the Company will incur an additional 43.38% of costs. See page 3 of 3 for the costs breakdown.

These overhead factors have not been used in other regulatory cases, or previous WMECO testimonies. With respect to time sheets, only an employee's time is entered. The benefits such as pension, healthcare, and taxes are recorded separately to the general ledger and then allocated to the appropriate FERC accounts based on the FERC accounts to which the labor was charged.

Costs are based upon year 2003 experience adjusted to reflect 4 solicitations in 2004 and beyond. Dollars may be slightly different due to rounding.

Non Productive Time Loader

Most of the non-productive payroll costs relate to vacations, holidays, and illness. Some of the other non-productive payroll costs relate to jury duty and military leave.

General Service Company Loader

Time Period Covered

January 1, 2003
Through
December 31, 2003

<u>Employee Costs</u> – This cost category includes costs for workers compensation, incentives, pensions, supplementary pension, supplemental retirement plan, post retirement medical and life insurance, medical, and long-term disability	15,485,800
<u>Corporate Support</u> – This cost category includes costs for corporate document services and administrative support services	20,340
<u>Payroll Taxes</u> – This cost category includes costs for federal and state unemployment taxes, Social Security taxes, and Massachusetts universal health tax	7,286,130
<u>Building Costs</u> – This cost category includes costs for the Berlin, Connecticut and Wethersfield, Connecticut facilities	10,123,019
<u>Information Technology (“IT”) Costs</u> – This cost category includes costs for the following IT departments: Operations, database services, desktop services, IT strategic planning, system engineering, networks and communications, enterprise applications services, support services, supply chain products center, IT security, and INTERNET and INTRANET and Lotus Notes resource center	6,114,024
<u>Depreciation</u> – This cost category includes costs for the depreciation of computers and other office equipment and the amortization of leasehold improvements	7,139,380
Total Costs	<hr/> 46,168,693
Payroll Costs	106,423,570
Overhead Loader Rate	43.38%

Witness: Edward A. Davis
Request from: Attorney General

Question:

Please fill in the matrix provided below for each month in 2003. Data should be consistent with the Department's Order in DTE 02-24/25. Provide the work papers and backup that support each item, including supplier invoices. Please supply the data in an Excel spreadsheet file as shown below as well as in a paper version.

Item	Source	Jan 03	Feb 03	-----	Dec 03
1.	Default Service Purchased Power Supplier Costs				
2.	Number of Days Lag/365				
3.	Working Capital Requirements	L1 x L2			
4.	Cost of Equity	Cost of Equity			
5.	Cost of Debt	Cost of Debt			
6.	Effective Tax Rate				
7.	Tax Adjusted Cost of Capital	$L5^* (L4 / (1-L6))$			
8.	Cost of Working Capital	$L3^* L7$			

Response:

The Company has calculated a 44.69 day lead between the receipt of default energy and the payment to the default supplier for 2003. Page 3 of 7 shows the calculation. Default invoices redacted to remove supplier information are attached as bulk*.

In a study filed with the Department in DTE 02-20 the company calculated a lag of 42.97 days on average for WMECO to receive its revenues from customers, page 4 of 7.

The net of these two figures results in a negative lead lag of 1.72 days between the payment for default energy to the supplier and collection of revenues from the customer. A revenue requirement of negative \$27,770 associated with the negative 1.72 days default expense lead lag is calculated in the matrix shown on page 2 of 7.

* Bulk material provided.

Western Massachusetts Electric Company
Calculation of 2003 Default Service Lead Lag Revenue Requirements

Docket No. DTE-03-88F
Information Request AG-1
Dated 2/24/2004
Q-AG-1-004
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Line	Item	Source	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03	Total
1	Default Service Purchased Power Supplier Costs (a)		\$ 3,271,506	\$ 2,855,224	\$ 2,751,288	\$ 3,246,996	\$ 3,149,215	\$ 3,100,528	\$ 5,152,320	\$ 4,772,878	\$ 3,021,423	\$ 2,985,576	\$ 3,434,294	\$ 3,906,162	\$ 41,647,410
2	Number of Days Lag/365 (b)	(1.72)/365	(0.0047123)	(0.0047123)	(0.0047123)	(0.0047123)	(0.0047123)	(0.0047123)	(0.0047123)	(0.0047123)	(0.0047123)	(0.0047123)	(0.0047123)	(0.0047123)	(0.0047123)
3	Working Capital Requirement	L1 x L2	(15,416)	(13,455)	(12,965)	(15,301)	(14,840)	(14,611)	(24,279)	(22,491)	(14,238)	(14,069)	(16,184)	(18,407)	(196,256)
4	Weighted Cost of Equity (c)	Cost of Equity	7.46%	7.46%	7.46%	7.46%	7.46%	7.46%	7.46%	7.46%	7.46%	7.46%	7.46%	7.46%	7.46%
5	Weighted Cost of Debt (c)	Cost of Debt	1.88%	1.88%	1.88%	1.88%	1.88%	1.88%	1.88%	1.88%	1.88%	1.88%	1.88%	1.88%	1.88%
6	Effective Tax Rate (d)		39.225%	39.225%	39.225%	39.225%	39.225%	39.225%	39.225%	39.225%	39.225%	39.225%	39.225%	39.225%	39.225%
7	Tax Adjusted Cost of Capital	L5 + (L4/(1-L6))	14.15%	14.15%	14.15%	14.15%	14.15%	14.15%	14.15%	14.15%	14.15%	14.15%	14.15%	14.15%	14.15%
8	Cost of Working Capital	L3 * L7	\$ (2,181)	\$ (1,904)	\$ (1,835)	\$ (2,165)	\$ (2,100)	\$ (2,067)	\$ (3,435)	\$ (3,182)	\$ (2,015)	\$ (1,991)	\$ (2,290)	\$ (2,605)	\$ (27,770)

- (a) Redacted supplier invoices provided as a bulk attachment.
(b) See page 1 for derivation of the negative 1.72 lead lag days.
(c) See pages 5 and 6 for calculation of the weighted cost of equity and debt.
(d) See page 7 for calculation of the effective tax rate

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Dated 2/24/2004
Q-AG-1-004
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Western Massachusetts Electric Company
Default Expense Lead Days

Delivery Month	Invoice Amount	Date Paid	Midpt. Month	Addtl. Billing Days	Total Days	Weighted Amount/Days
January	\$ 3,189,433	2/28	15.5	28	43.5	\$ 138,740,336
90 day true up	82,073	2/28	15.5	120	135.5	11,120,892
	<u>3,271,506</u>					
February	2,893,354	3/31	14.0	31	45.0	130,200,930
90 day true up	(38,130)	3/31	15.0	121	136.0	(5,185,680)
	<u>2,855,224</u>					
March	2,830,042	4/30	15.5	30	45.5	128,766,911
90 day true up	(78,754)	4/30	15.5	120	135.5	(10,671,167)
	<u>2,751,288</u>					
April	3,030,631	5/30	15.0	30	45.0	136,378,395
90 day true up	216,365	5/30	15.5	119	134.5	29,101,093
	<u>3,246,996</u>					
May	3,096,081	7/1	15.5	31	46.5	143,967,767
90 day true up	53,134	7/1	14.0	123	137.0	7,279,358
	<u>3,149,215</u>					
June	3,200,084	7/31	15.0	31	46.0	147,203,864
90 day true up	(99,556)	7/31	15.5	122	137.5	(13,688,950)
	<u>3,100,528</u>					
July - Supplier 1	989,521	8/29	15.5	29	44.5	44,033,685
July - Supplier 2	4,233,928	8/29	15.5	29	44.5	188,409,796
90 day true up	(71,129)	11/18	15.0	202	217.0	(15,434,993)
	<u>5,152,320</u>					
August - Supplier 1	1,088,325	9/30	15.5	30	45.5	49,518,788
August - Supplier 2	3,791,929	9/30	15.5	30	45.5	172,532,770
90 day true up	(107,376)	11/18	15.5	171	186.5	(20,025,624)
	<u>4,772,878</u>					
September - Supplier 1	646,168	10/31	15.0	31	46.0	29,723,728
September - Supplier 2	2,513,286	10/31	15.0	31	46.0	115,611,156
90 day true up	(138,031)	11/18	15.0	141	156.0	(21,532,836)
	<u>3,021,423</u>					
October - Supplier 1	464,958	11/26	15.5	26	41.5	19,295,757
October - Supplier 2	2,542,059	11/26	15.5	26	41.5	105,495,449
90 day true up - Supplier 1	43,302	11/26	15.5	118	133.5	5,780,817
90 day true up - Supplier 2	(64,743)	11/26	15.5	118	133.5	(8,643,191)
	<u>2,985,576</u>					
November - Supplier 1	719,970	12/30	15.0	30	45.0	32,398,650
November - Supplier 2	2,607,088	12/30	15.0	30	45.0	117,318,960
90 day true up - Supplier 1	(51,197)	12/30	15.5	121	136.5	(6,988,391)
90 day true up - Supplier 2	158,433	12/30	15.5	121	136.5	21,626,105
	<u>3,434,294</u>					
December - Supplier 1	767,131	1/30	15.5	30	45.5	34,904,461
December - Supplier 2	3,017,526	1/30	15.5	30	45.5	137,297,433
90 day true up - Supplier 1	6,028	1/30	15.0	122	137.0	825,836
90 day true up - Supplier 2	115,477	1/30	15.0	122	137.0	15,820,349
	<u>3,906,162</u>					
Total invoice times lag days						\$ 1,861,182,450
Total default service costs	\$ 41,647,410					\$ 41,647,410
Weighted lead days						<u>44.69</u>

WESTERN MASSACHUSETTS ELECTRIC COMPANY
 RETAIL LEAD/LAG STUDY
 (Filed in Docket DTE 02-20 as response to Q-DTE1-008)

strata	bounds	N	n	mean sample days	standard deviation of sample days	Strata \$	mean strata \$	Total \$	revenu weight (Ri)- % of total \$	revenue weighted mean days	standard deviation of revenue weighted days	pop correction factor	uses pop corr (M), revenue weight (J), sample n (D), and sample standard dev (F)	
1	<7500	119489	147	38.24	29.74	77626.64	\$528.07	\$63,098,840.73	0.1695	6.48	5.04	0.999	0.173	
2	7500 < 34000	73772	167	41.6	21.57	227981.68	\$1,365.16	\$100,710,565.85	0.2705	11.25	5.84	0.998	0.203	
3	34000 < 325000	5448	181	45.22	14.11	1781936.31	\$9,844.95	\$53,635,298.44	0.1441	6.52	2.03	0.967	0.022	
4	325000 < 2250000	800	174	44.33	15.43	11554809.63	\$66,406.95	\$53,125,561.52	0.1427	6.33	2.20	0.783	0.022	
5	2250000 +	170	147	45.35	34.35	87932110.73	\$598,177.62	\$101,690,196.08	0.2732	12.39	9.38	0.135	0.081	
TOTALS:						101,574,464.99		\$372,260,462.61		42.97				
											(mean days of strata)*(strata % of total \$)	(Ni-ni)/Ni	weighted variance & revenue weighted standard error (SE)	$\frac{(1/R^2) \cdot \sum (R_i^2) \cdot ((Ni-ni)/Ni)^2 \cdot (s_i^2/n_i)}{}$

mean=	42.97	se=	0.71
2 tailed t test results			
99%	2.58	mean - t(SE)	mean + t(SE)
95%	1.96	41.14	44.79
90%	1.65	41.58	44.35
		41.80	44.13
1 tailed t test results			
99%	2.33		41.32
95%	1.65		41.80
90%	1.28		42.06

WESTERN MASSACHUSETTS ELECTRIC COMPANY
Weighted Average Cost of Capitalization
12 Months Ended December 31, 2003
(\$000's)

	@	Quarter ended				@	5-Quarter		Embedded	Weighted
	12/31/2002	03/31/2003	06/30/2003	09/30/2003	12/31/2003		Average	%	Cost	Cost
Capital Structure (Average)									(a)	
Long Term Debt	\$52,380	\$52,399	\$52,418	\$106,677	\$106,698	\$74,114	32.15%		5.85%	1.88%
Preferred Stock Issued	0	0	0	0	0	0	0.00%		0.00%	0.00%
Common Equity	157,960	160,086	158,520	153,682	152,003	156,451	67.86%		11.00%	7.46%
Total Capitalization	\$210,340	\$212,485	\$210,938	\$260,359	\$258,702	\$230,565	100.00%			9.35%

(a) Page 6 of 7

WESTERN MASSACHUSETTS ELECTRIC COMPANY
Long Term Debt & Preferred Stock Rates and Common Equity
12 Months Ended December 31, 2003

	Cost of Long Term <u>Debt</u>	Net Carrying Value - Debt	Embedded Cost of Long Term <u>Debt</u>	Cost of Preferred <u>Stock</u>	Net Carrying Value - Preferred <u>Stock</u>	Embedded Cost of Preferred <u>Stock</u>	Common Equity
Dec-02	3,222	52,380	6.15%	0	0	0.00%	157,960
Mar-03	3,222	52,399	6.15%	0	0	0.00%	160,086
Jun-03	3,222	52,418	6.15%	0	0	0.00%	158,520
Sep-03	5,972	106,677	5.60%	0	0	0.00%	153,682
Dec-03	6,050	106,698	5.67%	0	0	0.00%	152,003
Five Quarter Average	<u>\$ 4,338</u>	<u>\$ 74,114</u>	<u>5.85%</u>	<u>\$ -</u>	<u>\$ -</u>	<u>0.00%</u>	<u>\$ 156,451</u>

Western Massachusetts Electric Company
Calculation of 2003 Combined Income Tax Rate

	Combined Rate
MA Franchise Tax Rate	0.065
1-Federal Tax Rate	0.65
State Tax Rate, Net of Federal Benefit	0.04225
Federal Tax Rate	0.35
Combined Income Tax Rate	0.39225

INVOICE

INVOICE NO.

FROM:

TO: Robert A. Baumann, Director, Revenue Regulation & Load Resources
Western Massachusetts Electric Company
P. O. Box 270
Hartford, CT 06141-0270

Billing For: Massachusetts Default Service

Purchase Order:

Billing Period: 01/01/2003
through 01/31/2003

Date Rendered: To be completed by supplier.
Date Due: To be completed by supplier.

		Final Contract Load Quantity mW-Hr (Page 2)	Rate per mW-Hr	Supplier Billing Amount
Billing for:				
Current Month:				
Residential	January-2003			\$1,768,998.66
Small C&I:	January-2003			555,307.42
Large C&I	January-2003			858,536.57
Street Lighting	January-2003			6,590.37
Total Current Month				\$3,189,433.02
Prior Month: Reconciliation (3 month lag)				
Residential	October-2002			\$0.00
Small C&I	October-2002			0.00
Large C&I	October-2002			0.00
Street Lighting	October-2002			0.00
Total Prior Month: Reconciliation (3 month lag)				\$0.00
Interest on Prior Month Reconciliation:				0.00
Total Amount Due:				\$3,189,433.02

INVOICE

INVOICE NO.

FROM:

TO: Robert A. Baumann, Director, Revenue Regulation & Load Resources
Western Massachusetts Electric Company
P. O. Box 270
Hartford, CT 06141-0270

Billing For: Massachusetts Default Service

Purchase Order:

Billing Period: 01/01/2003
through 01/31/2003

Date Rendered: To be completed by supplier.

Date Due: To be completed by supplier.

Billing for:		Final Contract Load Quantity mW-Hr (Page 2)	Rate per mW-Hr	Supplier Billing Amount
Current Month:				
Residential	January-2003			\$0.00
Small C&I:	January-2003			0.00
Large C&I	January-2003			0.00
Street Lighting	January-2003			0.00
Total Current Month				\$0.00
Prior Month: Reconciliation (3 month lag)				
Residential	October-2002			\$10,356.39
Small C&I	October-2002			(12,911.58)
Large C&I	October-2002			83,785.47
Street Lighting	October-2002			(95.00)
Total Prior Month: Reconciliation (3 month lag)				\$81,135.28
Interest on Prior Month Reconciliation:				937.93
Total Amount Due:				\$82,073.21

INVOICE

INVOICE NO.

FROM:

TO: Robert A. Baumann, Director, Revenue Regulation & Load Resources
Western Massachusetts Electric Company
P. O. Box 270
Hartford, CT 06141-0270

Billing For: Massachusetts Default Service

Purchase Order:

Billing Period: 02/01/2003
through 02/28/2003

Date Rendered: To be completed by supplier.

Date Due: To be completed by supplier.

		Final Contract Load Quantity mW-Hr (Page 2)	Rate per mW-Hr	Supplier Billing Amount
Billing for:				
Current Month:				
Residential	February-2003			\$1,492,152.60
Small C&I:	February-2003			536,707.45
Large C&I	February-2003			853,598.14
Street Lighting	February-2003			10,896.03
Total Current Month				\$2,893,354.22
Prior Month: Reconciliation (3 month lag)				
Residential	November-2002			\$0.00
Small C&I	November-2002			0.00
Large C&I	November-2002			0.00
Street Lighting	November-2002			0.00
Total Prior Month: Reconciliation (3 month lag)				0.00
Interest on Prior Month Reconciliation:				0.00
Total Amount Due:				\$2,893,354.22

INVOICE

INVOICE NO.

FROM:

TO: Robert A. Baumann, Director, Revenue Regulation & Load Resources
Western Massachusetts Electric Company
P. O. Box 270
Hartford, CT 06141-0270

Billing For: Massachusetts Default Service

Purchase Order:

Billing Period: 02/01/2003
through 02/28/2003

Date Rendered: To be completed by supplier.

Date Due: To be completed by supplier.

Billing for:		Final Contract Load Quantity mW-Hr (Page 2)	Rate per mW-Hr	Supplier Billing Amount
Current Month:				
Residential	February-2003			\$0.00
Small C&&I:	February-2003			0.00
Large C&&I	February-2003			0.00
Street Lighting	February-2003			0.00
Total Current Month				\$0.00
Prior Month: Reconciliation (3 month lag)				
Residential	November-2002			\$27,246.79
Small C&&I	November-2002			(88,731.22)
Large C&&I	November-2002			23,616.01
Street Lighting	November-2002			169.05
Total Prior Month: Reconciliation (3 month lag)				(\$37,699.37)
Interest on Prior Month Reconciliation:				(431.08)
Total Amount Due:				(\$38,130.45)

INVOICE

ROM:

TO: Robert A. Baumann, Director, Revenue Regulation & Load Resources
Western Massachusetts Electric Company
P. O. Box 270
Hartford, CT 06141-0270

Billing For: Massachusetts Default Service

Purchase Order:

Billing Period: 03/01/2003

Through 03/31/2003

Rate Rendered: To be completed by supplier.

Rate Due: To be completed by supplier.

		Final Contract Load Quantity mW-Hr (Page 2)	Rate per mW-Hr	Supplier Billing Amount
Billing for:				
Current Month:				
Residential	March-2003			\$1,197,801.84
Small C&I	March-2003			462,847.98
Large C&I	March-2003			1,162,748.49
Street Lighting	March-2003			6,643.70
Total Current Month				\$2,830,042.01
Prior Month: Reconciliation (3 month lag)				
Residential	December-2002			\$0.00
Small C&I	December-2002			0.00
Large C&I	December-2002			0.00
Street Lighting	December-2002			0.00
Total Prior Month: Reconciliation (3 month lag)				\$0.00
Interest on Prior Month Reconciliation:				0.00
Total Amount Due				\$2,830,042.01

INVOICE

INVOICE NO.

FROM:

TO: Robert A. Baumann, Director, Revenue Regulation & Load Resources
Western Massachusetts Electric Company
P. O. Box 270
Hartford, CT 06141-0270

Billing For: Massachusetts Default Service

Purchase Order:

Billing Period: 03/01/2003

Through 03/31/2003

Time Rendered: To be completed by supplier.

Time Due: To be completed by supplier.

		Final Contract Load Quantity mW-Hr (Page 2)	Rate per mW-Hr	Supplier Billing Amount
Billing for:				
Current Month:				
Residential	March-2003			\$0.00
Small C&I	March-2003			0.00
Large C&I	March-2003			0.00
Street Lighting	March-2003			0.00
Total Current Month				\$0.00
Prior Month: Reconciliation (3 month lag)				
Residential	December-2002			(\$112,744.13)
Small C&I	December-2002			(4,744.53)
Large C&I	December-2002			39,635.99
Street Lighting	December-2002			(34.48)
Total Prior Month: Reconciliation (3 month lag)				(\$77,887.15)
Interest on Prior Month Reconciliation:				(866.61)
Total Amount Due				(\$78,753.76)

INVOICE

INVOICE NO.

FROM:

TO: Robert A. Baumann, Director, Revenue Regulation & Load Resources
Western Massachusetts Electric Company
P. O. Box 270
Hartford, CT 06141-0270

Billing For: Massachusetts Default Service

Purchase Order:

Billing Period: 04/01/2003
through 04/30/2003

Date Rendered: To be completed by supplier.

Date Due: To be completed by supplier.

Billing for:	Final Contract Load Quantity mW-Hr (Page 2)	Rate per mW-Hr	Supplier Billing Amount
Current Month:			
Residential April-2003			\$916,644.10
Small C&I: April-2003			516,987.18
Large C&I April-2003			1,588,594.85
Street Lighting April-2003			8,405.07
Total Current Month			\$3,030,631.20
Prior Month: Reconciliation (3 month lag)			
Residential January-2003			(\$159,107.30)
Small C&I January-2003			19,001.37
Large C&I January-2003			353,464.14
Street Lighting January-2003			690.30
Total Prior Month: Reconciliation (3 month lag)			\$214,048.51
Interest on Prior Month Reconciliation:			2,315.87
Total Amount Due:			\$3,246,995.58

INVOICE

INVOICE NO.

FROM:

TO: Robert A. Baumann, Director, Revenue Regulation & Load Resources
Western Massachusetts Electric Company
P. O. Box 270
Hartford, CT 06141-0270

Billing For: Massachusetts Default Service

Purchase Order:

Billing Period: 05/01/2003
through 05/31/2003

Date Rendered: To be completed by supplier.

Date Due: To be completed by supplier.

Final Contract
Load Quantity
mW-Hr
(Page 2)

Rate per
mW-Hr

Supplier Billing
Amount

Billing for:

Current Month:

Residential	May-2003	\$929,273.40
Small C&I:	May-2003	452,664.81
Large C&I	May-2003	1,707,448.42
Street Lighting	May-2003	6,694.16

Total Current Month \$3,096,080.79

Prior Month: Reconciliation (3 month lag)

Residential	February-2003	(\$29,658.04)
Small C&I	February-2003	(14,030.09)
Large C&I	February-2003	99,569.78
Street Lighting	February-2003	(3,297.47)

Total Prior Month: Reconciliation (3 month lag) \$52,584.18

Interest on Prior Month Reconciliation: 549.62

Total Amount Due: **\$3,149,214.59**

INVOICE

INVOICE NO.

FROM:

TO: Robert A. Baumann, Director, Revenue Regulation & Load Resources
Western Massachusetts Electric Company
P. O. Box 270
Hartford, CT 06141-0270

Billing For: Massachusetts Default Service

Purchase Order:

Billing Period: 06/01/2003
through 06/30/2003

Date Rendered: To be completed by supplier.

Date Due: To be completed by supplier.

Final Contract
Load Quantity

mW-Hr
(Page 2)

Rate per
mW-Hr

Supplier Billing
Amount

Billing for:

Current Month:

Residential	June-2003		\$1,098,011.71
Small C&I:	June-2003	530,426.99	
Large C&I	June-2003	1,565,006.16	
Street Lighting	June-2003	6,639.51	

Total Current Month

\$3,200,084.37

Prior Month: Reconciliation (3 month lag)

Residential	March-2003	(\$127,336.04)	
Small C&I	March-2003	(7,515.12)	
Large C&I	March-2003	36,561.96	
Street Lighting	March-2003	(236.67)	

Total Prior Month: Reconciliation (3 month lag)

(\$98,525.87)

Interest on Prior Month Reconciliation:

(1,030.90)

Total Amount Due:

\$3,100,527.60

INVOICE

INVOICE NO.

FROM:

TO: Robert A. Baumann, Director, Revenue Regulation & Load Resources
Western Massachusetts Electric Company
P. O. Box 270
Hartford, CT 06141-0270

Billing For: Massachusetts Default Service

Purchase Order:

Billing Period: 07/01/2003
through 07/31/2003

Date Rendered: To be completed by supplier.

Date Due: 08/29/2003

Billing for:	Final Contract Load Quantity mW-Hr (Page 2)	Rate per mW-Hr	Supplier Billing Amount
<hr/>			
Current Month:			
Small C&I: July-2003			979,578.66
Street Lighting July-2003			9,942.93
Total Current Month			<hr/> \$989,521.59
Prior Month: Reconciliation (3 month lag)			
Small C&I April-2003			0.00
Street Lighting April-2003			0.00
Total Prior Month: Reconciliation (3 month lag)			<hr/> \$0.00
Interest on Prior Month Reconciliation:			0.00

Total Amount Due: \$989,521.59

INVOICE

INVOICE NO.

FROM:

TO: Robert A. Baumann, Director, Revenue Regulation & Load Resources
Western Massachusetts Electric Company
P. O. Box 270
Hartford, CT 06141-0270

Billing For: Massachusetts Default Service

Purchase Order:

Billing Period: 07/01/2003
through 07/31/2003

Date Rendered: To be completed by supplier.

Date Due: To be completed by supplier.

Billing for:	Final Contract Load Quantity mW-Hr (Page 2)	Rate per mW-Hr	Supplier Billing Amount
<hr/>			
Current Month:			
Residential July-2003			\$2,099,496.65
Large C&I July-2003			2,134,431.04
Total Current Month			<hr/> \$4,233,927.69
Prior Month: Reconciliation (3 month lag)			
Residential April-2003			\$0.00
Large C&I April-2003			0.00
Total Prior Month: Reconciliation (3 month lag)			<hr/> \$0.00
Interest on Prior Month Reconciliation:			0.00

Total Amount Due: \$4,233,927.69

INVOICE

INVOICE NO.

FROM:

TO: Robert A. Baumann, Director, Revenue Regulation & Load Resources
Western Massachusetts Electric Company
P. O. Box 270
Hartford, CT 06141-0270

Billing For: Massachusetts Default Service

Purchase Order:

Billing Period: 07/01/2003
through 07/31/2003

Date Rendered: To be completed by supplier.

Date Due: To be completed by supplier.

Billing for:		Final Contract Load Quantity mW-Hr (Page 2)	Rate per mW-Hr	Supplier Billing Amount
Current Month:				
Residential	July-2003			\$0.00
Small C&I:	July-2003			0.00
Large C&I	July-2003			0.00
Street Lighting	July-2003			0.00
Total Current Month				\$0.00
Prior Month: Reconciliation (3 month lag)				
Residential	April-2003			(\$9,972.14)
Small C&I	April-2003			(40,163.18)
Large C&I	April-2003			(18,623.87)
Street Lighting	April-2003			(1,633.10)
Total Prior Month: Reconciliation (3 month lag)				(\$70,392.29)
Interest on Prior Month Reconciliation:				(736.66)
Total Amount Due:				<u><u>(\$71,128.95)</u></u>

INVOICE

INVOICE NO.

FROM:

TO: Robert A. Baumann, Director, Revenue Regulation & Load Resources
Western Massachusetts Electric Company
P. O. Box 270
Hartford, CT 06141-0270

Billing For: Massachusetts Default Service

Purchase Order:

Billing Period: 08/01/2003
through 08/31/2003

Date Rendered: To be completed by supplier.

Date Due: To be completed by supplier.

		Final Contract Load Quantity mW-Hr (Page 2)	Rate per mW-Hr	Supplier Billing Amount
Billing for:				
Current Month:				
Small C&I:	August-2003			1,077,806.81
Street Lighting	August-2003			10,518.48
Total Current Month				\$1,088,325.29
Prior Month: Reconciliation (3 month lag)				
Small C&I	May-2003			0.00
Street Lighting	May-2003			0.00
Total Prior Month: Reconciliation (3 month lag)				\$0.00
Interest on Prior Month Reconciliation:				0.00

HOLD CHECK IN CASH MANAGEMENT

Total Amount Due:

\$1,088,325.29

INVOICE

INVOICE NO. _____

FROM:

TO: Robert A. Baumann, Director, Revenue Regulation & Load Resources
Western Massachusetts Electric Company
P. O. Box 270
Hartford, CT 06141-0270

Billing For: Massachusetts Default Service

Purchase Order:

Billing Period: 08/01/2003
through 08/31/2003

Date Rendered: To be completed by supplier.

Date Due: To be completed by supplier.

Billing for:	Final Contract Load Quantity mW-Hr (Page 2)	Rate per mW-Hr	Supplier Billing Amount
<hr/>			
Current Month:			
Residential August-2003			\$1,998,249.55
Large C&I August-2003			1,793,679.52
Total Current Month			<hr/> \$3,791,929.07
Prior Month: Reconciliation (3 month lag)			
Residential May-2003			\$0.00
Large C&I May-2003			0.00
Total Prior Month: Reconciliation (3 month lag)			<hr/> \$0.00
Interest on Prior Month Reconciliation:			0.00

Total Amount Due: \$3,791,929.07

INVOICE

INVOICE NO.

FROM:

TO: Robert A. Baumann, Director, Revenue Regulation & Load Resources
Western Massachusetts Electric Company
P. O. Box 270
Hartford, CT 06141-0270

Billing For: Massachusetts Default Service

Purchase Order:

Billing Period: 08/01/2003
through 08/31/2003

Date Rendered: To be completed by supplier.

Date Due: To be completed by supplier.

Billing for:		Final Contract Load Quantity mW-Hr (Page 2)	Rate per mW-Hr	Supplier Billing Amount
Current Month:				
Residential	August-2003			\$0.00
Small C&&I:	August-2003			0.00
Large C&&I	August-2003			0.00
Street Lighting	August-2003			0.00
Total Current Month				\$0.00
Prior Month: Reconciliation (3 month lag)				
Residential	May-2003			(\$107,918.73)
Small C&&I	May-2003			(6,548.53)
Large C&&I	May-2003			8,177.62
Street Lighting	May-2003			22.95
Total Prior Month: Reconciliation (3 month lag)				(\$106,266.69)
Interest on Prior Month Reconciliation:				(1,109.54)
Total Amount Due:				(\$107,376.23)

INVOICE

INVOICE NO.

FROM:

TO: Robert A. Baumann, Director, Revenue Regulation & Load Resources
Western Massachusetts Electric Company
P. O. Box 270
Hartford, CT 06141-0270

Billing For: Massachusetts Default Service

Purchase Order:

Billing Period: 09/01/2003
through 09/30/2003

Date Rendered: To be completed by supplier.

Date Due: To be completed by supplier.

Billing for:	Final Contract Load Quantity mW-Hr (Page 2)	Rate per mW-Hr	Supplier Billing Amount
<hr/>			
Current Month:			
Small C&I: September-2003			636,729.46
Street Lighting September-2003			9,438.22
			<hr/>
Total Current Month			\$646,167.68
Prior Month: Reconciliation (3 month lag)			
Small C&I June-2003			0.00
Street Lighting June-2003			0.00
			<hr/>
Total Prior Month: Reconciliation (3 month lag)			\$0.00
Interest on Prior Month Reconciliation:			0.00

Total Amount Due: \$646,167.68

INVOICE

INVOICE NO.

FROM:

TO: Robert A. Baumann, Director, Revenue Regulation & Load Resources
Western Massachusetts Electric Company
P. O. Box 270
Hartford, CT 06141-0270

Billing For: Massachusetts Default Service

Purchase Order:

Billing Period: 09/01/2003
through 09/30/2003

Date Rendered: To be completed by supplier.

Date Due: To be completed by supplier.

Billing for:	Final Contract Load Quantity mW-Hr (Page 2)	Rate per mW-Hr	Supplier Billing Amount
<hr/>			
Current Month:			
Residential	September-2003		\$1,374,679.12
Large C&I	September-2003		1,138,607.28
Total Current Month			<hr/> \$2,513,286.40
Prior Month: Reconciliation (3 month lag)			
Residential	June-2003		\$0.00
Large C&I	June-2003		0.00
Total Prior Month: Reconciliation (3 month lag)			<hr/> \$0.00
Interest on Prior Month Reconciliation:			0.00

Total Amount Due: \$2,513,286.40

INVOICE

INVOICE NO.

FROM:

TO: Robert A. Baumann, Director, Revenue Regulation & Load Resources
Western Massachusetts Electric Company
P. O. Box 270
Hartford, CT 06141-0270

Billing For: Massachusetts Default Service

Purchase Order:

Billing Period: 09/01/2003
through 09/30/2003

Date Rendered: To be completed by supplier.

Date Due: To be completed by supplier.

Billing for:		Final Contract Load Quantity mW-Hr (Page 2)	Rate per mW-Hr	Supplier Billing Amount
Current Month:				
Residential	September-2003			\$0.00
Small C&&I:	September-2003			0.00
Large C&&I	September-2003			0.00
Street Lighting	September-2003			0.00
Total Current Month				\$0.00
Prior Month: Reconciliation (3 month lag)				
Residential	June-2003			(\$104,518.84)
Small C&&I	June-2003			21,405.63
Large C&&I	June-2003			(53,443.52)
Street Lighting	June-2003			(60.51)
Total Prior Month: Reconciliation (3 month lag)				(\$136,617.24)
Interest on Prior Month Reconciliation:				(1,414.07)
Total Amount Due:				(\$138,031.31)

INVOICE

INVOICE NO.

FROM:

TO: Robert A. Baumann, Director, Revenue Regulation & Load Resources
Western Massachusetts Electric Company
P. O. Box 270
Hartford, CT 06141-0270

Billing For: Massachusetts Default Service

Purchase Order:

Billing Period: 10/01/2003
through 10/31/2003

Date Rendered: To be completed by supplier.

Date Due: To be completed by supplier.

Billing for:	Final Contract Load Quantity mW-Hr (Page 2)	Rate per mW-Hr	Supplier Billing Amount
<hr/>			
Current Month:			
Small C&I: October-2003			453,300.26
Street Lighting October-2003			11,657.94
			<hr/>
Total Current Month			\$464,958.20
Prior Month: Reconciliation (3 month lag)			
Small C&I July-2003			43,118.62
Street Lighting July-2003			(255.58)
			<hr/>
Total Prior Month: Reconciliation (3 month lag)			\$42,863.04
Interest on Prior Month Reconciliation:			438.76

Total Amount Due: \$508,260.00

INVOICE

INVOICE NO.

FROM:

TO: Robert A. Baumann, Director, Revenue Regulation & Load Resources
Western Massachusetts Electric Company
P. O. Box 270
Hartford, CT 06141-0270

Billing For: Massachusetts Default Service

Purchase Order:

Billing Period: 10/01/2003
through 10/31/2003

Date Rendered: To be completed by supplier.
Date Due: To be completed by supplier.

Billing for:	Final Contract Load Quantity mW-Hr (Page 2)	Rate per mW-Hr	Supplier Billing Amount
<hr/>			
Current Month:			
Residential	October-2003		\$1,323,932.19
Large C&I	October-2003		1,218,127.07
Total Current Month			<hr/> \$2,542,059.26
Prior Month: Reconciliation (3 month lag)			
Residential	July-2003		(\$51,746.24)
Large C&I	July-2003		(12,341.20)
Total Prior Month: Reconciliation (3 month lag)			<hr/> (\$64,087.44)
Interest on Prior Month Reconciliation:			(656.02)

Total Amount Due: \$2,477,315.80

INVOICE

INVOICE NO.

FROM:

TO: Robert A. Baumann, Director, Revenue Regulation & Load Resources
Western Massachusetts Electric Company
P. O. Box 270
Hartford, CT 06141-0270

Billing For: Massachusetts Default Service

Purchase Order:

Billing Period: 11/01/2003
through 11/30/2003

Date Rendered: To be completed by supplier.

Date Due: To be completed by supplier.

Billing for:		Final Contract Load Quantity mW-Hr (Page 2)	Rate per mW-Hr	Supplier Billing Amount
Current Month:				
Small C&I:	November-2003			709,502.82
Street Lighting	November-2003			10,467.34
Total Current Month				\$719,970.16
Prior Month: Reconciliation (3 month lag)				
Small C&I	August-2003			(52,599.20)
Street Lighting	August-2003			1,913.31
Total Prior Month: Reconciliation (3 month lag)				(\$50,685.89)
Interest on Prior Month Reconciliation:				(511.18)

HOLD CHECK IN CASH MANAGEMENT

Total Amount Due: \$668,773.09

INVOICE

INVOICE NO.

FROM:

TO: Robert A. Baumann, Director, Revenue Regulation & Load Resources
Western Massachusetts Electric Company
P. O. Box 270
Hartford, CT 06141-0270

Billing For: Massachusetts Default Service

Purchase Order:

Billing Period: 11/01/2003
through 11/30/2003

Date Rendered: To be completed by supplier.

Date Due: To be completed by supplier.

Billing for:		Final Contract Load Quantity mW-Hr (Page 2)	Rate per mW-Hr	Supplier Billing Amount
Current Month:				
Residential	November-2003			\$1,383,894.53
Large C&I	November-2003			1,223,193.94
Total Current Month				\$2,607,088.47
Prior Month: Reconciliation (3 month lag)				
Residential	August-2003			\$64,811.47
Large C&I	August-2003			92,039.17
Total Prior Month: Reconciliation (3 month lag)				\$156,850.64
Interest on Prior Month Reconciliation:				1,581.87

Total Amount Due: \$2,765,520.98

INVOICE

INVOICE NO.

FROM:

TO: Robert A. Baumann, Director, Revenue Regulation & Load Resources
Western Massachusetts Electric Company
P. O. Box 270
Hartford, CT 06141-0270

Billing For: Massachusetts Default Service

Purchase Order:

Billing Period: 12/01/2003
through 12/31/2003

Date Rendered: To be completed by supplier.

Date Due: To be completed by supplier.

Billing for:	Final Contract Load Quantity mW-Hr (Page 2)	Rate per mW-Hr	Supplier Billing Amount
Current Month:			
Small C&&I: December-2003			751,996.70
Street Lighting December-2003			15,134.43
Total Current Month			\$767,131.13
Prior Month: Reconciliation (3 month lag)			
Small C&&I September-2003			4,397.68
Street Lighting September-2003			1,570.46
Total Prior Month: Reconciliation (3 month lag)			\$5,968.14
Interest on Prior Month Reconciliation:			59.96

Hold Check in Cash Management

Total Amount Due:

\$773,159.23

INVOICE

INVOICE NO.

FROM:

TO: Robert A. Baumann, Director, Revenue Regulation & Load Resources
Western Massachusetts Electric Company
P. O. Box 270
Hartford, CT 06141-0270

Billing For: Massachusetts Default Service

Purchase Order:

Billing Period: 12/01/2003
through 12/31/2003

Date Rendered: To be completed by supplier.

Date Due: To be completed by supplier.

Billing for:	Final Contract Load Quantity mW-Hr (Page 2)	Rate per mW-Hr	Supplier Billing Amount
<hr/>			
Current Month:			
Residential December-2003			\$1,952,025.10
Large C&I December-2003			1,065,500.76
Total Current Month			<hr/> \$3,017,525.86
Prior Month: Reconciliation (3 month lag)			
Residential September-2003			(\$100,329.72)
Large C&I September-2003			214,658.13
Total Prior Month: Reconciliation (3 month lag)			<hr/> \$114,328.41
Interest on Prior Month Reconciliation:			1,148.48

Total Amount Due: \$3,133,002.75

Western Massachusetts Electric Company
Docket No. DTE 03-88

Information Request AG-01
Dated: 02/24/2004
Q- AG1-005
Page 1 of 1

Witness: Edward A. Davis
Request from: Attorney General

Question:

Please provide the data amounts, invoices and contracts associated with the consultant described in the Davis Testimony, Page 2, Lines 21-23 by month from January, 2002 through December, 2003. Do you expect to incur this expense in 2004? If so, please provide actual costs as available and estimates for all months in 2004.

Response:

Invoices received from Energy Market Advisors, Inc., John E. Higgins, Jr., consultant fees for 2002 and 2003 are attached as bulk*. WMECO expects to incur this expense in 2004, and has estimated the total of four default service procurements to be \$56,000.00.

The DOER retains the contract for the consultant.

* Bulk material provided.

INVOICE



WMECO Docket No. DTE 03-88
Information Request AG-01
Dated 02/24/2004
Q-AG1-005 - BULK

Western Massachusetts Electric Company
Attn: Stephen H. Klionsky, Senior Council
101 Federal Street - 13th Floor
Boston, MA 02110

April 9, 2002
Project Number: 114312
Invoice Number: 111910

Re: WMECO 2002 RFP

For services performed through March 31, 2002

Professional Services	\$2,700.00
<hr/>	
Total this invoice	\$2,700.00

Terms: Payable on receipt

If you have any questions please contact me at your earliest convenience.

John Higgins Jr
Project Manager

Remit to:

Regular mail:

Navigant Consulting, Inc.
135 S LaSalle, Dept 3720
Chicago, IL 60674-3720

Electronic wire transfer:

LaSalle Bank
135 S. LaSalle
Chicago, IL 60674-3720
ABA# 071000505
ACCT# 5800151127

EIN#36-4094854
GST#883101511

P/O # 02185381

Western Massachusetts Electric Company
101 Federal Street - 13th Floor
Boston, MA 02110

April 9, 2002
Project Number: 114312
Invoice Number: 111910

Re: W M E CO 2002 RFP

Employee/Comment	Job	Hours	Rate	Amount
------------------	-----	-------	------	--------

Task: 0.00

3/24/02 - 3/30/02

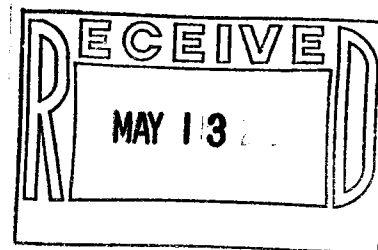
John Higgins Jr	Principal	10.00	270.00	2,700.00
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Review RFP and documentation as sent to bidders.

Total	10.00	2,700.00
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INVOICE



Western Massachusetts Electric Company
Attn: Stephen H. Klionsky, Senior Council
101 Federal Street - 13th Floor
Boston, MA 02110

May 6, 2002
Project Number: 114312
Invoice Number: 112638

Re: W M E CO 2002 RFP

Sent to A/c Payable
5/13/02

For services performed through April 30, 2002

Professional Services	\$12,465.00
Total this invoice	\$12,465.00

Terms: Payable on receipt

If you have any questions please contact me at your earliest convenience.

John Higgins Jr
Project Manager

Remit to:

Regular mail:

Navigant Consulting, Inc.
135 S LaSalle, Dept 3720
Chicago, IL 60674-3720

Electronic wire transfer:

LaSalle Bank
135 S. LaSalle
Chicago, IL 60674-3720
ABA# 071000505
ACCT# 5800151127

EIN#36-4094854
GST#883101511

P/O # 02185381

Western Massachusetts Electric Company
101 Federal Street - 13th Floor
Boston, MA 02110

May 6, 2002
Project Number: 114312
Invoice Number: 112638

Re: W M E CO 2002 RFP

Employee/Comment	Job	Hours	Rate	Amount
------------------	-----	-------	------	--------

Task: 0.00

3/31/02 - 4/6/02

John Higgins Jr	Principal	6.00	270.00	1,620.00
------------------------	------------------	-------------	---------------	-----------------

Review questions and responses submitted to potential bidders. Begin drafting report documenting the procurement process.

4/7/02 - 4/13/02

Hong GU	Senior Consultant	8.00	215.00	1,720.00
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Bids evaluation.

John Higgins Jr	Principal	29.00	270.00	7,830.00
------------------------	------------------	--------------	---------------	-----------------

Begin to prepare report. Receive affiliate proposal. Receive third party proposals. Conduct analysis on proposals. Participate in contract negotiations. Discuss results with DOER.

4/14/02 - 4/20/02

Hong GU	Senior Consultant	1.00	215.00	215.00
----------------	--------------------------	-------------	---------------	---------------

Double check results.

John Higgins Jr	Principal	4.00	270.00	1,080.00
------------------------	------------------	-------------	---------------	-----------------

Complete independent evaluator report and discuss with DOER.

Total		48.00		12,465.00
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INVOICE



P/O # 02185381

Western Massachusetts Electric Co.
Attn: Steven H. Klionsky, Senior Counsel
101 Federal Street - 13th Floor
Boston, MA 02110

November 18, 2002
Project Number: 115181
Invoice Number: 117724

Re: Massachusetts DOER - WMECO SOS RFP

For services performed through October 31, 2002

Professional Services	\$23,040.00
Reimbursable Expenses	\$16.00
Plus Administrative Fee @ 5%	1,152.00
Total this invoice	<u>\$24,208.00</u>

Terms: Payable on receipt

If you have any questions please contact me at your earliest convenience.

John Higgins Jr
Project Manager

Remit to:

Regular mail:

Navigant Consulting, Inc.
135 S LaSalle, Dept 3720
Chicago, IL 60674-3720

Electronic wire transfer:

LaSalle Bank
135 S. LaSalle
Chicago, IL 60674-3720
ABA# 071000505
ACCT# 5800151127

EIN#36-4094854
GST#883101511

Western Massachusetts Electric Co.
101 Federal Street - 13th Floor
Boston, MA 02110

November 18, 2002
Project Number: 115181
Invoice Number: 117724

Re: Massachusetts DOER - WMECO SOS RFP

Employee	Job	Hours	Rate	Amount
Task: 0.00				
9/15/02 - 9/21/02				
John Higgins Jr	Principal	1.00	270.00	270.00
9/22/02 - 9/28/02				
John Higgins Jr	Principal	1.00	270.00	270.00
10/6/02 - 10/12/02				
John Higgins Jr	Principal	6.00	270.00	1,620.00
10/13/02 - 10/19/02				
John Higgins Jr	Principal	20.00	270.00	5,400.00
Max Gowen	Senior Engagement Manager	3.00	240.00	720.00
10/20/02 - 10/26/02				
John Higgins Jr	Principal	28.00	270.00	7,560.00
Max Gowen	Senior Engagement Manager	3.00	240.00	720.00
10/27/02 - 11/2/02				
John Higgins Jr	Principal	24.00	270.00	6,480.00



Western Massachusetts Electric Co.
101 Federal Street - 13th Floor
Boston, MA 02110

November 18, 2002
Project Number: 115181
Invoice Number: 117724

Re: Massachusetts DOER - WMECO SOS RFP

Employee	Job	Hours	Rate	Amount
	Total	86.00		23,040.00

Task: 0.00

10/13/02 - 10/19/02

Higgins Jr, John E.	Mobile Telephone Pager	16.00
	Total	16.00

Note: Due to Standard Offer and Default Service procurements being done simultaneously, it is not possible to distinguish which dollars are for Default Service only, for this procurement.



PO 02201305

ENERMAD-01

Energy Market Advisors, Inc.
38 Independence Way
Norwood, MA 02062
617-699-1148

INVOICE

May 15, 2003

Mr. Dan Sardo
Director, Restructuring and Regulation
Massachusetts Division of Energy Resources
70 Franklin Street, 7th Floor
Boston, MA 02110-1313

*use as
original
ack*

Re: Invoice for Consulting Services Provided during April and May 2003

Dear Dan:

Pursuant to Western Massachusetts Electric Company's most recent Request for Proposals for Default Service, provided herein is an invoice for professional services and related expenses provided during April and May 2003 related to serving as and independent evaluator in the procurement process.

Services:	\$14,875.00
Expenses:	<u>\$20.48</u>
Total:	\$14,895.48

Please remit within 30-days at the address provided above. If you have any questions, please call me at 617-699-1148.

Very Truly Yours,

John E Higgins Jr
John E. Higgins, Jr.
Principal

Attachment

*for
508-303-3290*

Energy Market Advisors, Inc.
 38 Independence Way
 Norwood, MA 02062
 617-699-1148

Invoice Date: April 2003
 Invoice Number: 1001
 Invoice Total: \$2,757.02

Services		Hours Worked	Hourly Rate	Total
Date	Work Description / Expenses			
04/10/03	Briefly discuss RFP process with D. Sardo of DOER. Review first draft of RFP and provide preliminary comments to T. Honan of NU.	4.0	\$250.00	\$1,000.00
04/11/03	Review final draft of RFP and discuss with T. Honan of NU.	2.8	\$250.00	\$625.00
04/22/03	Review NU's response to bidder's questions.	0.5	\$250.00	\$125.00
04/28/03	Review NU's response to Morgan Stanley's questions regarding contract. Review contract and discuss recommendation with T. Honan.	4.0	\$250.00	\$1,000.00
Services Total				\$2,750.00
Expenses		Expense	Rate/Unit	Total
Date	Work Description / Expenses			
04/30/03	Printing/Copies	117	\$0.06	\$7.02
Expenses Total				\$7.02

Invoice Total \$2,757.02

22-2003 THU 10:50 AM WMECO/NU

FAX NO. 617 748 5151

P. 04

Energy Market Advisors, Inc.
36 Independance Way
Norwood, MA 02062
617-699-1146

Invoice Date: May 2003
Invoice Number: 1002
Invoice Total: \$12,138.44

Services		Hours Worked	Hourly Rate	Total
Date	Work Description / Expenses			
05/01/03	Begin to review bidder supporting information, including financial criteria and proposed changes to the standard contract. Prepare spreadsheet for evaluation of the bids.	8.0	\$250.00	\$2,000.00
05/03/03	Continue to review contract changes. Discuss changes with NU. Participate on conference calls with NU and bidders regarding changes to standard contract.	8.0	\$250.00	\$2,000.00
05/07/03	Participate on conference calls with NU and bidders regarding changes to standard contract. Begin independent evaluator report describing the solicitation process. Receive affiliate price proposals.	8.0	\$250.00	\$2,000.00
05/08/03	Receive price bids and evaluate in spreadsheet. Discuss proposals and evaluation results with NU. Contact winning bidders and finalize contract language with NU.	8.0	\$250.00	\$2,000.00
05/08/03	Begin to review bidder supporting information, including financial criteria and proposed changes to the standard contract. Prepare spreadsheet for evaluation of the bids.	8.0	\$250.00	\$2,000.00
05/11/03	Continue to prepare final report.	4.0	\$250.00	\$1,000.00
05/12/03	Continue to prepare final report.	2.5	\$250.00	\$625.00
05/13/03	Complete final report and submit to the DOER and NU for filing with the PTE.	2.0	\$250.00	\$500.00
Services Total				\$12,125.00
Expenses		Expense	Rate/Unit	Total
Date	Work Description / Expenses			
05/13/03	Printing/Copies	224	\$0.06	\$13.44
Expenses Total				\$13.44

Invoice Total \$12,138.44

Energy Market Advisors, Inc.
36 Independence Way
Norwood, MA 02062
617-699-1146

INVOICE

November 4, 2003

Mr. Steve Klionsky
Senior Council
Western Massachusetts Electric Company
101 Federal Street, 13th Floor
Boston, MA 02110

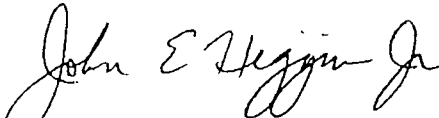
Re: Invoice for Professional Services Provided During October 2003

Pursuant to work with the Massachusetts Division of Energy Resources for providing oversight and an independent bid evaluation of Western Massachusetts Electric Company's solicitation for standard offer and default services, provided herein is an invoice for professional services provided during the month of October 2003.

Services:	\$17,375.00
Expenses:	<u>\$11.55</u>
Total:	\$17,386.55

Please remit payment within 30 days to "Energy Market Advisors, Inc." at the above address. If you have any questions concerning this invoice, please contact me at (617) 699-1146.

Very Truly Yours,



John E. Higgins, Jr.
Principal

Attachment

Energy Market Advisors, Inc.
36 Independence Way
Norwood, MA 02062
617-699-1146

Invoice Date: October 2003

Invoice Number: 1200310

Invoice Total: \$17,386.55

Services				
Date	Work Description / Expenses	Hours Worked	Hourly Rate	Total
10/01/03	Receive and review default service RFP. Discuss RFP with D. Sardo of DOER.	2.0	\$250.00	\$500.00
10/03/03	Obtain and review recent DTE Orders on Default Service Procurement (DTE 02-40). Discuss the RFP with the DOER. Review draft Default Service RFP and provide comments to DOER and WMECO.	6.0	\$250.00	\$1,500.00
10/09/03	Discuss the results of the default service working group meeting with D. Sardo at the DOER. Discuss the Supporting Information received by WMECO with P. Smith.	1.5	\$250.00	\$375.00
10/14/03	Receive bidder materials from P. Smith of WMECO and begin to review bidder information and changes to contract terms. Prepare for upcoming phone calls with bidders. Participate in phone calls with several bidders.	8.0	\$250.00	\$2,000.00
10/15/03	Participate on four separate conference calls with bidders to monitor WMECO solicitation process.	8.0	\$250.00	\$2,000.00
10/16/03	Participate on four separate conference calls with bidders to monitor WMECO solicitation process.	8.0	\$250.00	\$2,000.00
10/17/03	Participate on conference call with bidder. Begin to prepare independent evaluators report.	8.0	\$250.00	\$2,000.00
10/20/03	Receive affiliate proposal. Confirm receipt with WMECO and Affiliate.	0.5	\$250.00	\$125.00
10/21/03	Receive third-party proposals and evaluate pricing terms. Discuss results of auction with DOER. Participate on calls regarding contract award.	8.5	\$250.00	\$2,125.00
10/22/03	Continue to prepare report for DOER.	8.0	\$250.00	\$2,000.00
10/23/03	Finalize report of the DOER on SOS RFP.	8.0	\$250.00	\$2,000.00
10/27/03	Receive signed contracts and compare to final draft versions.	1.0	\$250.00	\$250.00
10/30/03	Discuss the list of potential bidders in the default RFP with the DOER. Discuss bidding rules and requirements related to allowing additional bidders participate in the DS process with WMECO and DOER.	2.0	\$250.00	\$500.00
Services Total				\$17,375.00
Expenses				
Date	Work Description / Expenses	Expense	Rate/Unit	Total
10/31/03	Copies @ \$0.05 each	231	\$0.05	\$11.55
Expenses Total				\$11.55

- SOS -
not included

Invoice Total \$17,386.55

DS Total =
\$17,386.55

Energy Market Advisors, Inc.
36 Independence Way
Norwood, MA 02062
617-699-1146

INVOICE

October 7, 2003

Mr. Steve Klionsky
Senior Council
Western Massachusetts Electric Company
101 Federal Street, 13th Floor
Boston, MA 02110

Re: Invoice for Professional Services Provided During September 2003

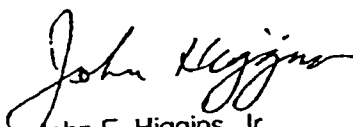
Dear Mr. Sardo:

Pursuant to work with the Massachusetts Division of Energy Resources for providing oversight and an independent bid evaluation of Western Massachusetts Electric Company's solicitation for standard offer and default services, provided herein is an invoice for professional services provided during the month of September 2003.

Services:	\$2,125.00
Expenses:	<u>\$0.00</u>
Total:	\$2,125.00

Please remit payment within 30 days to "Energy Market Advisors, Inc." at the above address. If you have any questions concerning this invoice, please contact me at (617) 699-1146.

Very Truly Yours,


John E. Higgins, Jr.
Principal

Attachment

Energy Market Advisors, Inc.
36 Independence Way
Norwood, MA 02062
617-699-1146

Invoice Date: September 2003
Invoice Number: 1200309
Invoice Total: \$2,125.00

Services		Hours Worked	Hourly Rate	Total
Date	Work Description / Expenses			\$1,000.00
09/15/03	Read draft standard offer service RFP and standard contract. Compare draft contract to prior versions to identify changes. Correspond with the DOER regarding changes.	4.0	\$250.00	
09/16/03	Obtain and review DTE's standards of conduct regarding affiliates.	1.5	\$250.00	\$375.00
09/29/03	Contact P. Smith of NU to discuss distribution of RFP. Review list of recipients.	1.0	\$250.00	\$250.00
09/30/03	Begin to review Default Service RFP.	2.0	\$250.00	\$500.00
	Services Total			\$2,125.00

Expenses		Expense	Rate/Unit	Total
Date	Work Description / Expenses			
			Expenses Total	\$0.00

Invoice Total	\$2,125.00
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LE TOL
B 1125.00

Purchase Order No. 02201305

Energy Market Advisors, Inc.
36 Independence Way
Norwood, MA 02062
617-699-1146

INVOICE

December 5, 2003

Mr. Steve Klionsky
Senior Council
Western Massachusetts Electric Company
101 Federal Street, 13th Floor
Boston, MA 02110

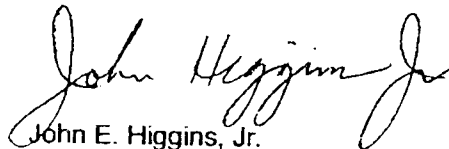
Re: Invoice for Professional Services Provided During November 2003

Pursuant to work with the Massachusetts Division of Energy Resources for providing oversight and an independent bid evaluation of Western Massachusetts Electric Company's solicitation for standard offer and default services, provided herein is an invoice for professional services provided during the month of November 2003.

Services:	\$8,550.00
Expenses:	<u>\$ 0.00</u>
Total:	\$8,550.00

Please remit payment within 30 days to "Energy Market Advisors, Inc." at the above address. If you have any questions concerning this invoice, please contact me at (617) 699-1146.

Very Truly Yours,



John E. Higgins, Jr.
Principal

Attachment

Energy Market Advisors, Inc.
36 Independence Way
Norwood, MA 02062
617-699-1146

D.O.
CWA

Invoice Date: November 2003
 Invoice Number: 1200311
 Invoice Total: \$8,500.00

02201305

Services				
Date	Work Description / Expenses	Hours Worked	Hourly Rate	Total
11/03/03	Begin to prepare draft IE report on the DS procurement process.	4.0	\$225.00	\$900.00
11/04/03	Receive and review supporting information related to the DS RFP process. Review changes to the standard contract.	4.0	\$225.00	\$900.00
11/05/03	Participate in conference calls with bidders regarding the DS RFP. Receive affiliate proposal. Begin to prepare the IE report regarding the solicitation process.	6.0	\$225.00	\$1,350.00
11/06/03	Receive third-party proposals and evaluate pricing terms. Discuss results of auction with DOER. Participate on calls regarding contract award. Continue to prepare IE report.	8.0	\$225.00	\$1,800.00
11/07/03	Continue to prepare the IE report for the DOER.	8.0	\$225.00	\$1,800.00
11/10/03	Finalize report to the DOER on the DS solicitation process.	8.0	\$225.00	\$1,800.00
	Services Total			\$8,550.00
Expenses				
Date	Work Description / Expenses	Expense	Rate/Unit	Total
	Expenses Total			\$0.00

Invoice Total \$8,550.00

Western Massachusetts Electric Company
Docket No. DTE 03-88

Information Request AG-01
Dated: 02/24/2004
Q- AG1-006
Page 1 of 1

Witness: Edward A. Davis
Request from: Attorney General

Question:

Please identify where the RPS expenses discussed in the Davis Testimony, Page 2, Lines 8-9 are included in the default costs listed in Exhibit EAD-1 and detailed Work papers 1 and 2. Please quantify the amount of RPS, and provide all backup and calculations to support the data.

Response:

The renewable portfolio standard ("RPS") price is included in the default service supply. The suppliers are responsible for this expense.

Witness: Edward A. Davis
Request from: Attorney General

Question:

Please explain in detail what functions the Procurement/Contract Negotiation personnel perform. Provide a breakdown of the 1364 hours into these functions. Provide detailed backup for the labor rate, separating it into the 3 positions described in the Davis Testimony, Work paper 2, and showing the basic rate and the overhead factor separately. Include copies of all timesheet records supporting this data.

Response:

The functions that the Procurement/Contract Negotiation personnel perform for WMECO Default Service solicitations can be grouped into the following tasks:

- (1) Development of the RFP - This task consists of developing the RFP that will be issued, along with its associated contract. Both the RFP and the associated contract are reviewed to be consistent with: (1) changes to the DTE rules for Default Service; (2) changes to the ISO-NE market structure and market conditions; and (3) lessons learned from previous solicitations. The DOER consultant overseeing the RFP process reviews the RFP and its associated contract prior to its issuance.
- (2) External RFP process - This task begins with the actual issuance of the RFP and concludes with the receipt of the final bid information. During this process, WMECO: (1) receives and responds to questions from potential bidders regarding the RFP; (2) receives information supporting the final pricing bids which describes the bidders and includes any changes to the contract that the bidder may request; (3) evaluates the acceptability of bidders; and (4) negotiates the final form of the contract with each bidder. WMECO works with the DOER consultant overseeing the RFP process during this task.
- (3) Evaluate pricing information/execute contract - This task consists of the evaluation of the pricing submitted by the bidders through obtaining DTE approval of the final contract(s). This task includes: (1) internal evaluation of the bids and approval of the winner; (2) evaluation of the bids by the DOER consultant and confirming the acceptability of the selected bidder with the DOER consultant; (3) execution of the final contract(s); and (4) submission of the final contract(s) to DTE for approval.
- (4) Contract implementation - This task begins with receipt of approval of the contract and concludes with the end of the term of the contract. This task consists of: (1) registration of the load asset; (2) monitoring compliance with the credit requirements in the contract; and (3) responding to day-to-day issues that arise during the course of the contract.

The estimated number of hours associated with each of the tasks is provided below:

<u>Task</u>	<u>Number of Hours</u>
(1) Development of the RFP	750
(2) External RFP Process	554
(3) Evaluate Pricing Information/Execute Contract	92
(4) Contract Implementation	140
	1536

Note the estimated number of hours shown above is different from that provided in the January 20, 2004 submittal. The total number of hours is revised here to correct allocation errors in the January 20th submittal.

The three positions described in the January 20th submittal were further sub-divided into five categories of labor rates. The number of hours and the rates associated with each category are provided below.

<u>Title</u>	<u>Hours</u>	<u>Basic Rate</u>	<u>Overhead Rate</u>	<u>Total Cost</u>
(1) Administrative Secretary	75	22.60	9.80	2,430
(2) Senior Engineer	680	40.38	17.52	39,370
(3) Senior Counsel	250	57.45	24.92	20,593
(4) Manager - Wholesale Marketing	235	52.40	22.73	17,656
(5) Manager - Treasury	<u>296</u>	<u>48.08</u>	<u>20.86</u>	<u>20,405</u>
	1536			100,454

The total costs provided above are slightly different than that provided in the January 20th submittal due to the more detailed evaluation of the individual pay rates.

Timesheets are not broken down by this type of function and are therefore unavailable. Even if available, the timesheets from previous years would not provide an accurate estimate of the 2004 costs since the procurement process was significantly changed by the DTE for 2004.

Witness: Edward A. Davis
Request from: Attorney General

Question:

Please explain in detail what functions the Regulatory Attorney provides in the Other Costs section of the Davis Testimony, Work paper 2. Please provide supporting timesheets, reports, and any other documentation available. Does this relate directly to the DTE consultant?

Response:

The Regulatory Attorney provides many useful and important roles in the Default Service solicitation process.

(1) In advance of the solicitation, the attorney consults with the Company's procurement staff with respect to any additions or changes necessary to the solicitation process or documents, and how these changes may affect regulatory approvals. In addition, the attorney reviews the standard contract language and request for proposals language to ensure that those documents, and particularly the frequent changes to those documents, are consistent with regulatory requirements.

(2) In advance of the return date on the bids, the attorney prepares a confidentiality agreement with the independent consultant, discusses this agreement with the consultant and enters into the agreement. In addition, the attorney discusses the timing of the independent consultant report and other logistical matters.

(3) In advance of the return date on the bids, the attorney prepares a non-disclosure agreement with the Division of Energy Resources. This document is discussed with DOER and executed. The purpose of this agreement is to allow the DOER may review the confidential bid process.

(4) At the time that bids are submitted, the attorney consults with the procurement staff and independent consultant as to any regulatory issues.

(5) When the contract(s) are signed with the winning bidder: (i) the attorney obtains the contracts and negotiates or obtains the required redactions to the contracts for confidential material; (ii) prepares redacted contracts for public filing; (iii) prepares a motion for protected treatment for the confidential material in the contracts; (iv) obtains and reviews new Default Service tariffs and redlined Default Service tariffs after discussion with other personnel in the Company; (v) obtains and reviews bill comparisons, as warranted, after discussion with other personnel in the Company; (vi) obtains and reviews the independent consultant's report on the Default Service solicitation; (vii) redacts the independent consultant's report as warranted; (viii) submits to the Department the redacted and unredacted contracts, new and redlined Default Service tariffs, bill comparisons, as warranted, and independent consultant's results, with a cover letter explaining the filing.

(6) After the Default Service filing is submitted to the Department, the attorney contacts Department staff, as necessary, and notifies Company staff of all approval.

(7) After approval is obtained, the attorney consults with Company staff to determine if there were any difficulties in the solicitation process or recommendations by the independent consultant that should be addressed prior to the beginning of the next solicitation process.

Timesheets are not broken down by this type of function and are therefore unavailable.

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Witness: Edward A. Davis
Request from: Attorney General

Question:

Please explain what the TRACS filing is in the regulatory section of the Davis Testimony, Work paper 2.

Response:

Tracking Regulatory Activities and Calendar System ("TRACs") is a Database that facilitates an internal review of questions and answers, and assures that data request answers are complete. It is a central repository for interrogatories and all docket related documents.

The Regulatory Processing Technicians compile documentation from this database in preparation for filings.

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Witness: Edward A. Davis
Request from: Attorney General

Question:

Please provide amounts, backup calculations, invoices and work papers for all Alternative Compliance payments made to date. Identify Standard Offer and Default Service separately.

Response:

The Alternative Compliance first potential payment is due in July 2004 and, therefore, can not be determined at this time.